



HANDBOOK FOR LIQUOR LICENSEES

Washington State
Liquor Control Board

GROCERY AND CONVENIENCE STORE LICENSE

BEER AND/OR WINE SPECIALTY STORE LICENSE

BEER AND/OR WINE GIFT DELIVERY LICENSE



MISSION & VISION

MISSION

The mission of the Liquor Control Board is to serve the public by preventing the misuse of alcohol and tobacco through controlled distribution, enforcement, and education; and provide excellent customer service by operating efficient, convenient retail stores.

VISION

The Liquor Control Board is an organization committed to customer service and dedicated to diversity and partnership that encourages active participation from the public, its employees, and stakeholders.



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INTRODUCTION

As a business owner and liquor licensee, you bring jobs to the community and provide a service to your neighbors. The Washington State Liquor Control Board (LCB) wants to help you in your efforts to run a profitable business selling alcohol both lawfully and responsibly.

The LCB issues your liquor license and regulates alcohol sales and use. Washington State liquor laws and rules control the activities that take place in taverns, grocery and convenience stores, and restaurants. These laws and rules are designed for the safety and general welfare of the public and your patrons.

When you obtain a license to sell or serve liquor in Washington, it is your responsibility to follow many important laws and rules enforced by the Liquor Control Board. Laws are referred to as RCWs - Revised Codes of Washington. Rules are referred to as WACs - Washington Administrative Codes. You can access the laws and rules through the Liquor Control Board's Internet site at: www.liq.wa.gov.



You will work closely with your local Liquor and Tobacco Enforcement Agent. They are there to keep you up-to-date on the state's liquor and tobacco laws and to answer any questions.

This booklet was designed as an educational tool to help you understand the liquor laws that are important to the success of your business. We encourage you to use it as a guide in training your employees and in the day-to-day operation of your business. Working together, we can make Washington a safe and productive place to live.

If you have questions about liquor laws or rules, please call your local Liquor Control Board Enforcement office. A list of offices is on page 24.

CHAPTER 1: LAWS AND RULES FOR ALL LIQUOR LICENSEES

The following pages contain important information on liquor laws and rules that apply to all liquor licensees.

VERIFYING IDENTIFICATION

In Washington State it is illegal to sell or serve alcohol to anyone under 21 years of age or to allow a person under 21 to possess or consume alcohol on your premises.

Before selling a customer alcohol, assess if the person appears to be less than 21 years old or is of questionable age. We recommend that you check the ID of any customer who appears younger than 30. For age verification you must ask for one of the following acceptable forms of ID:

- **A Driver's License or Instruction Permit** — A driver's license or instruction permit issued by any U.S. state or any Canadian province. (If the customer's Washington license has expired, he or she also must show either a valid temporary driver's license with the expired card, or have a current expiration extension sticker on the card).





New vertical format issued only to persons under 21.

- **A U.S. Military ID** — An official U.S. Military ID card, including active duty, reserve, retired, and/or dependent card. U.S. Military identification cards come in many styles and colors. The expiration date is on the front. The date of birth is on the back. The active duty card is green and white. Dependent cards are orange. Retiree cards are blue. Reserve cards are pink.
- **A Merchant Marine ID** — A Merchant Marine ID issued by the U.S. Coast Guard.
- **A State Liquor Control ID** - An official age identification card issued by the liquor control authority of any U.S. state or Canadian province.
- **A State ID Card** - An official state ID card issued by an U.S. state or Canadian province.
- **An Official Passport** - Issued by any nation.

You may see Washington driver's licenses presented for identification that are punched. These punched IDs are acceptable if:

1. The card is not expired, and
2. The punch is not through the photo, date of birth, expiration date, or signature.

Do not accept other forms of ID such as birth certificates, school or work identifications, Social Security cards, or other ID cards. These are not legal for proof of age for liquor service in Washington.

CHECK FOR SIGNS OF INTOXICATION

It is illegal to serve or sell alcohol to anyone who appears to be intoxicated. It is also illegal to allow anyone who appears to be intoxicated to possess or drink alcohol on your premises.

When in doubt...don't serve alcohol. Serving alcohol to an intoxicated person can result in the loss of your liquor license and criminal charges.

You need to know the signs of intoxication, whether you work in a grocery, convenience, or beer and/or wine specialty store. This handbook can help you recognize when a customer has had too much to drink.

Keep in mind that alcohol affects everyone differently--depending on how fast the person is drinking, the amount of food they have consumed, their mood, and other factors.

Federal and state law prohibits discrimination against a person due to a disability. If a disability appears to explain a warning sign for possible intoxication, such as unsteady walking due to leg braces or drooping eyelids due to blindness, look for additional signs that may signal intoxication. Since some characteristics of certain disabilities may mimic signs of intoxication, only through diligent communication can you assure that individuals with disabilities are treated fairly. Do not be afraid to ask questions.

Carelessness or clumsiness with money

Watch to see if your customer is dropping cash on the floor, has trouble picking it up or getting his/her wallet out, or cannot count out the right amount to pay for a drink.

Unsteady walking

Watch for customers who are bumping into furniture or other customers.

Behavior changes

Keep an eye out for customers who lose their concentration and train of thought during conversation, avoids eye contact. Look for bobbing heads or drooping eyelids.

Speech patterns

Talk to your customers and watch for these symptoms of intoxication:

- Loud talking
- Bragging
- Arguing
- Swearing
- Complaining
- Slurred speech
- Talking slowly and deliberately
- A strong odor of alcohol

A summary sheet of this information is available from your local enforcement office.

REFUSING SERVICE TO A CUSTOMER

Refusing alcohol service can be difficult. The key is to observe your customers carefully.

Remember how dangerous an intoxicated customer is behind the wheel of a car. Also, whether the customer is driving, walking, or taking a taxi, an over-served patron is still a danger to his/herself and others. Your difficult decision could not only save your liquor license--it could save someone's life.

NO DRINKING ON THE JOB

No employee or licensee may drink alcohol while on duty. Employees and licensees who are drinking on duty cannot effectively judge the age or sobriety of customers.

CUSTOMER CONDUCT

Persons who become disorderly or conduct themselves in a manner that threatens a patron or employee's safety may not be allowed to remain on the premises. Licensees are responsible for the disorderly conduct of customers **anywhere on their licensed premises**, including, for example, parking lots and outdoor service areas. If a fight breaks out on your premises or you think there is a threat of violence, call the police.

HOURS OF ALCOHOL SALES

The law allows liquor to be sold, served, and consumed between the hours of 6 a.m. and 2 a.m., seven days a week.

Local governments, however, may pass ordinances establishing earlier closing hours. Licensees should check local ordinances to find their community's legal hours.

RIGHT TO INSPECTION

Liquor and Tobacco Enforcement Agents, as well as your local police, have a right to inspect liquor licensed premises and do the following:

- Examine books and records.
- Take samples of liquor for analysis.
- Inspect any premises for which a license, banquet permit, or any other permit has been granted.

The inspections are made to ensure licensees are complying with liquor and tobacco laws and rules.

RECORD KEEPING

The following records must be made available for inspection if requested by the Liquor Control Board: Purchase invoices and supporting documents, bank statements and cancelled checks for business accounts, business accounting and tax records, and records of all financial transactions related to the business.

ACQUIRING AND PRICING LIQUOR

Retail liquor licensees can legally purchase beer and wine from the following source:

- A licensed Washington distributor (including a licensed Washington brewery or winery that distributes its own product)

All alcohol must be sold at a price that is not lower than what the licensee paid for the alcohol.

RETAIL LIQUOR ADVERTISING

Advertising prices

Retailers may not advertise “free” or “complimentary” liquor or use any slogan that promotes the over consumption of liquor. Examples include "two for the price of one," "buy one-get one free," “four for \$4,” or other wording that requires the customer to purchase more than one drink in order to get a reduced price.

Retailers may advertise specific brands and prices.

Advertising Materials

Manufacturers, distributors, and importers of liquor frequently offer brand name advertising materials to retailers. Some materials may be provided to retailers without charge, while other materials must be sold.

- “Point-of-sale material” may be provided to retailers without charge. Point-of-sale materials generally do not have use beyond brand advertising. Examples are brand name signs, posters, banners, shelf strips, display bins, and table tents.

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- "Novelty advertising items" must be sold to retailers. Novelty items generally have use other than brand advertising. Examples are napkins, coasters, cups, glassware, clothing, lighters, equipment, and furniture.
- "Customized materials" must be sold to retailers. Customized materials include banners, posters, table tents and other items that advertise retailer events such as grand openings, happy hours, hours of operations, and similar retailer slogans.

Advertising Events

Retailers may advertise events held at their premises but may not solicit or receive any advertising for these events from an alcohol manufacturer, importer, or distributor.

Manufacturers, importers, or distributors may not pay an independent party (such as a radio station) for any advertising of events held at a retailer's business.

Advertising Assistance

Some advertising issues are very complex. The LCB has an Advertising Coordinator who is available to assist with any advertising questions at (360) 664-1725 or by email at wslcb@liq.wa.gov

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REQUIRED SIGNS FOR ALL LICENSEES

Master Business License

All businesses are required to conspicuously post the business's current and valid Master License, showing all classes of licenses and endorsements.

Fetal Alcohol Syndrome (FAS) Warning Signs

All retail liquor licensees or licensees with retail privileges are required to post warning signs provided by the LCB which educate the public about the birth defect **Fetal Alcohol Syndrome (FAS)**. Signs are available from your local enforcement office.

Restaurants, bars, and clubs must post the FAS signs in plain view at the main entrance and in the women's restroom closest to the area where liquor is served.



Grocery, convenience stores, and beer/wine specialty shops must post a FAS warning sign at one or more of the following locations:

- At each permanent display area of shelving and at coolers displaying alcohol beverages.
- At the cash register(s) where alcohol is sold, and/or,
- At the main entrance to the licensed premises.

Airports, convention centers, and sports facilities must post a FAS warning sign in a place that is clearly visible to the majority of patrons entering the liquor licensed portion of the premises.

PROTECTING YOUR LICENSE

The following suggestions could help you protect yourself, your business, and your license:

- Have a written company policy that clearly spells out your rules for dealing with intoxicated customers, checking ID, and other important service issues.
- Train your employees so they understand your policies and know how to carry them out on the job.
- Have your employees sign your written policy statement, certifying that they have read and understand your policies.
- Back up your employees when they decide to refuse sale or service to a customer.

PROHIBITED PRACTICES: RETAIL & NON-RETAIL RELATIONSHIPS

Washington State has laws and rules regarding the relationship between alcohol manufacturers, distributors, and retailers.

Following is a list of important rules you need to know:

- Retail licensees may not have any financial interest in or with any alcohol manufacturer, importer, or distributor.
- Retail licensees generally may not accept any discounts, gifts, loans, premiums, rebates, treats, or services from any alcohol manufacturer, importer, or distributor, unless specifically allowed by law or rule.
- Manufacturers, importers and distributors may not give, lend, or rent any equipment, fixtures, or supplies to retail licensees. They may, however, sell them on a cash basis at not less than their cost of acquisition.
- Distributors may build, rotate, and restock displays and price products of their own brands for the retailer. A distributor can only handle another beer/wine distributors' products with reasonable prior notice (at least 24 hours). A beer/wine distributor may NOT handle other grocery items.
- Retail licensees may not enter into any agreement to sell any particular brand(s) of alcohol beverage to the exclusion of another brand.
- Distributors may not make any sale of beer or wine dependent upon the purchase of any other product or item.
- Distributors may only take back beer or wine that was delivered in error, if the error is discovered and corrected within 8 days of the delivery.

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- Distributors may replace outdated products with identical or like products.
- Manufacturers and Distributors may not extend credit to retail licensees. Checks, credit card, debit card, or electronic funds transfer payments that are returned for insufficient funds may be considered an extension of credit and therefore a violation.

PENALTIES

The Liquor Control Board issues penalties for violations of liquor laws or rules. These violations are categorized into three groups.

Group one violations are for public safety violations. The recommended penalty for this category of violations range from a minimum of a 5 day or \$500 dollar fine to license cancellation. These violations include:

- Minor frequenting a tavern, cocktail lounge, or other age restricted area.
- Sales or service of alcohol to persons under 21 years of age.
- Allowing or engaging in criminal conduct.
- Allowing disorderly conduct on the licensed premises.
- Alcohol sale or service to an intoxicated person, or allowing consumption and/or possession of alcohol by an intoxicated person.

Group two violations are for conduct violations. The recommended penalty for this category of violations range from a minimum of a 5-day suspension or \$250 dollar fine to license cancellation. These violations include:

- An employee under legal age or with no mandatory alcohol server training permit.
- Required food service not available.
- Alcohol sales, service, removal, or consumption between 2 a.m. and 6 a.m.
- Refusing inspection by a law enforcement officer.
- Misuse of license or unauthorized use of license.

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Group three violations are for regulatory violations. The recommended penalty for this category of violations range from a minimum of a 5-day suspension or \$100 dollar fine to a 20-day suspension. These violations include:

- Advertising violations
- Inventory below amount required.
- Failure to properly register kegs.
- Unauthorized alterations, change of trade name, or added activity.
- Inadequate lighting.
- Alcohol purchased from unauthorized source or sale of alcohol below cost.

KEG SALES

Any licensee who sells beer for off-premises consumption in kegs or other containers holding four or more gallons of beer must:

- √ Require the purchaser to provide at least one piece of acceptable identification.
- √ The licensee or employee and the purchaser must fill out a keg registration form, provided by the LCB through your local enforcement office.
- √ The seller affixes the keg registration form to the keg before it's removed from the premises.
- √ The keg registration receipts must be kept available for inspection as a part of the licensee's business records for a minimum of 1 year.

Books of keg registration forms are available from your local liquor enforcement office. Do not trade keg registration books or forms with other licensees--the numbers on the forms are recorded and checked out to your business.

CONTROLLED PURCHASE PROGRAM

Once approved by the Board, retail liquor licensees may conduct their own compliance checks using minors, under specific guidelines.

The purpose of allowing licensees to conduct private compliance checks, or “in-house controlled purchase programs,” is so licensees can evaluate their employee training on preventing the sale of alcohol to minors. In a controlled situation, the licensee would hire an eighteen, nineteen, or twenty year old person to attempt to purchase alcohol.

A couple points:

- √ The rules outline specific guidelines for controlled purchase programs.
- √ Licensees must receive prior written approval from the Liquor Control Board before conducting a controlled purchase program.
- √ Licensees can use their own employees or can contract with a third party to conduct a controlled purchase program.
- √ It is the licensee’s responsibility to ensure the program meets the requirements of the law and rules.

For more information, contact your local enforcement office. For a copy of the rules on private compliance checks, chapter 314-21 WAC, please go to our website at www.liq.wa.gov (go to “Laws & Regulations,” and then “Current Laws & Regulations.”)

CHAPTER 2: GROCERY AND CONVENIENCE STORE LICENSE

A grocery store license allows a licensee to sell beer and/or wine for off-premises consumption.

INVENTORY REQUIREMENTS

In order to maintain a grocery store license, the premises must be stocked with an inventory of at least three thousand dollars wholesale value of food for human consumption, not including soft drinks, beer, or wine. This minimum inventory must be:

- stocked within the confines of the licensed premises; and
- maintained at the premises at all times the business is licensed, with the exception of:
 - √ The beginning and closing inventory for seasonal operations; or
 - √ When the inventory is being sold out immediately prior to discontinuing or selling the business.

A grocery store licensee may sell beer in kegs or other containers holding at least four gallons and less than five and one-half gallons of beer. See page 17 regarding keg registration requirements.

MINOR EMPLOYMENT

A person must be 21 in order to sell, handle, or serve liquor. The following exceptions are provided for 18, 19, and 20 year olds if there is a person 21 years or older on duty to supervise the sale of liquor:

- Sell, stock, and handle beer and wine; and
- Deliver beer and/or wine to a customer's car with the customer (there is no minimum age requirement for an employee of a grocery store or a beer/wine specialty shop to deliver beer and/or wine to a customer's car with the customer.)

Persons 18,19,and 20 years old may not supervise employees who sell, stock, or handle beer and/or wine.

CHAPTER 3: BEER AND/OR WINE SPECIALTY STORE LICENSE

A beer and/or wine specialty store license allows a licensee to sell beer and/or wine for off-premises consumption.

INVENTORY REQUIREMENTS

To maintain a beer and/or wine specialty store license, the premises must be stocked with an inventory of beer and/or wine in excess of three thousand dollars wholesale value. This inventory must be:

- Stocked within the confines of the licensed premises; and
- Maintained on the premises at all times the premises is licensed, with the exception of beginning and closing inventory for seasonal operations or when the inventory is being sold out immediately prior to discontinuing or selling the business.

SAMPLING BEER AND/OR WINE

A beer and/or wine specialty store licensee may allow customers to sample beer and wine for the purpose of sales promotion, if the primary business is the sale of beer and/or wine at retail. A licensee's gross retail sales of beer and/or wine must exceed fifty percent of all gross sales for the entire business. Sampling may be conducted under the following conditions:

- Each sample must be two ounces or less;
- No more than four samples may be provided to a customer during any one visit to the premises;
- No more than one sample of any single brand and type of beer or wine may be provided to a customer during any one visit to the premises; and
- No samples to persons under 21 years of age.

KEG SALES

A beer and/or wine specialty store licensee may sell beer in kegs or other containers holding at least four gallons and less than five and one-half gallons of beer. See page 17 for more information on keg sales.

CHAPTER 4: BEER AND/OR WINE GIFT DELIVERY LICENSE

A beer and/or wine gift delivery license allows a business that is primarily engaged in the retail sale of gifts or flowers to deliver beer and/or wine in bottles or original packages. The beer or wine must be delivered in conjunction with the gifts or flowers. In order to maintain a beer and/or wine gift delivery license the licensee must continue to meet the following requirements:

- The business must be primarily engaged in the retail sale of gifts or flowers. In order to determine that the business meets this qualification, the board may inspect an applicant's or licensee's inventory, sales figures, and business records.
- A beer and/or wine gift delivery licensee may not hold any other class of liquor license.

CHAPTER 9: ENFORCEMENT OFFICE LOCATIONS AND PHONE NUMBERS

Olympia (360) 753-6271; 2420 Bristol Court SW, Ste. 102

Vancouver (360) 260-6115; 12501 NE 99th St., Ste A-100

Tacoma (253) 471-4589; 6240 Tacoma Mall Blvd., Roberson
Building, Ste. 208

Seattle (206) 464-6094; 4401 E Marginal Way S.

Kent (253) 872-6386; 1851 Central Place South, Ste. 201

Everett (425) 513-5114; 909 SE Everett Mall Way Ste. D-480

Bremerton (360) 478-4500; 500 Pacific Ave., Ste. 501

Bellingham (360) 676-2073; 1720 Ellis St., Ste. 210

Wenatchee (509) 662-0408; 100 9th St.

Yakima (509) 575-2763; 1222 S. 1st

Kennewick (509) 734-7170; 4310 West 24th Ave., Ste. 2D

Spokane (509) 625-5513; 1303 W. Broadway

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